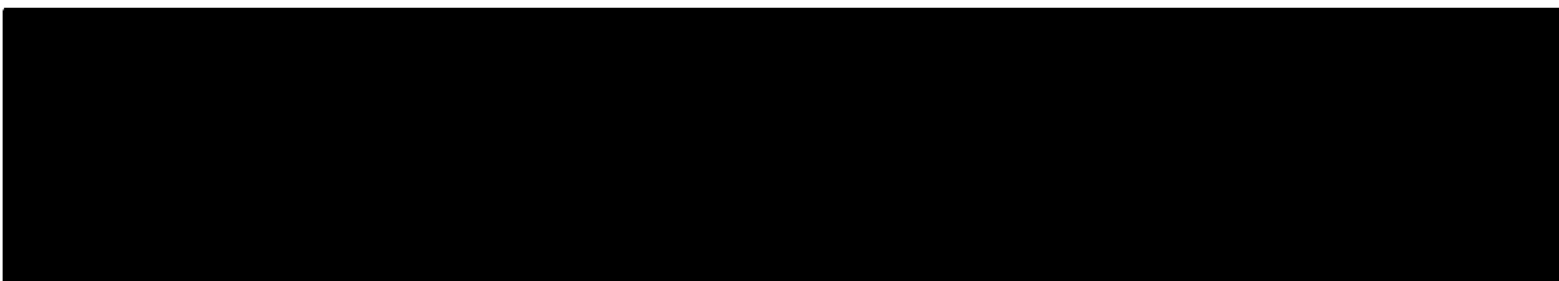


# EXHIBIT 131

**From:** Russell Barton <rbarton@urnerbarry.com>  
**To:** Neff, Todd  
**Sent:** 3/19/2014 6:10:37 PM  
**Subject:** Fresh Pork Update



	Tuesday	Today
1/4" Loins		
1/8" Loins		
BICC Loins		
Bnls S-On		
Bnls S-Off		
Tenders		
Bnls Sirs		
BI Sirs		
Blade Ends		
Pics		
Cushion		
Cushion Frz		
1/4" Butts		
1/8" Butts		
1/4" Neck-Off		
1/8" Neck-Off		
Bnls Butts		
Lt Ribs		
Med Ribs		
2.00/dn SLR		
2.25/dn SLR		
2.50/dn SLR		
2.50/up SLR		
1.50/dn LBR		
1.75/dn LBR		
2.00/dn LBR		
2.00/up LBR		

Thanks,  
 Russell  
**Russell Barton**  
 Market Reporter  
 Urner Barry

rbarton@urnerbarry.com

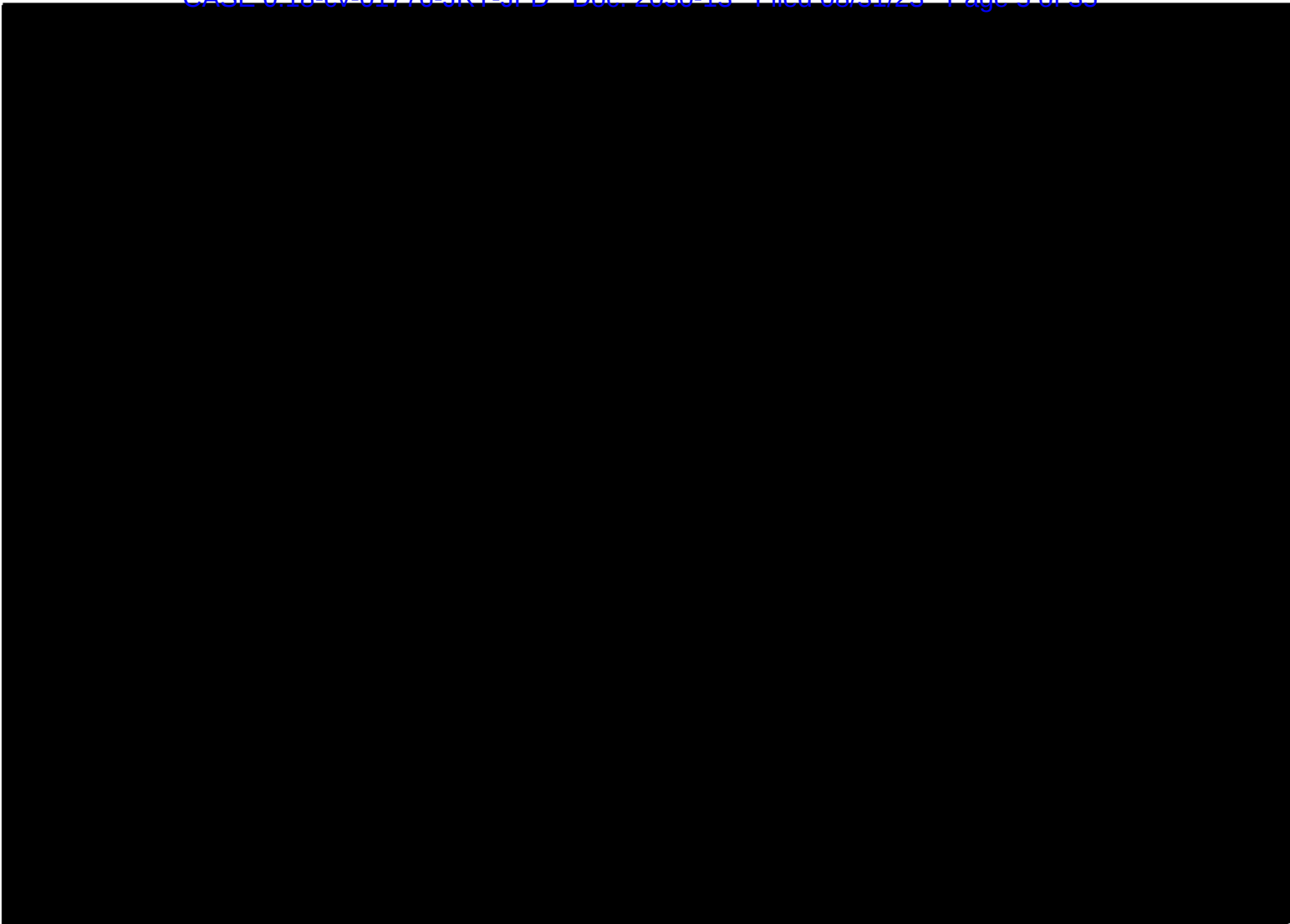
P: 732-240-5330 x 260

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# EXHIBIT 132



	Tuesday	Today
1/4" Loins		
1/8" Loins		
BICC Loins		
Bnls S-On		
Bnls S-Off		
Tenders		
Bnls Sirs		
BI Sirs		
Blade Ends		
Pics		
Cushion		
Cushion Frz		

1/4" Butts

1/8" Butts

1/4" Neck-Off

1/8" Neck-Off

Bnls Butts

Lt Ribs

Med Ribs

2.00/dn SLR

2.25/dn SLR

2.50/dn SLR

2.50/up SLR

1.50/dn LBR

1.75/dn LBR

2.00/dn LBR

2.00/up LBR

Thanks,

Russell

Russell Barton

Market Reporter

Urnar Barry

[rbarton@urnerbarry.com](mailto:rbarton@urnerbarry.com)

P: 732-240-5330 x 260

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# EXHIBIT 133

## Message

**From:** Uber, Tim [Tim.Uber@jbssa.com]  
**Sent:** 3/19/2014 1:06:03 PM  
**To:** Greene, Jeff [Jeff.Greene@jbssa.com]; Jones, Doug [Doug.Jones@jbssa.com]; Schaeffer, Dayne [Dayne.Schaeffer@jbssa.com]; Robinson, Daniel [Daniel.Robinson@jbssa.com]  
**Subject:** FW: Fresh Pork Update



**Tim Uber**

Pork Pricing  
 Tim.uber@jbssa.com

O: 970-506-7707  
 C: 712-253-2783  
 www.jbssa.com  
 1770 Promontory Circle  
 Greeley, CO 80634

**Tuesday**

**Today**

-  
 1/4" Loins  
 1/8" Loins  
 BICC Loins  
 Bnls S-On  
 Bnls S-Off  
 Tenders  
 Bnls Sirs  
 BI Sirs  
 Blade Ends

Pics  
 Cushion  
 Cushion Frz

1/4" Butts  
 1/8" Butts  
 1/4" Neck-Off  
 1/8" Neck-Off  
 Bnls Butts



Lt Ribs  
Med Ribs

2.00/dn SLR  
2.25/dn SLR  
2.50/dn SLR  
2.50/up SLR

1.50/dn LBR  
1.75/dn LBR  
2.00/dn LBR  
2.00/up LBR

Thanks,  
Russell  
**Russell Barton**  
Market Reporter  
Urner Barry  
[rbarton@urnerbarry.com](mailto:rbarton@urnerbarry.com)  
P: 732-240-5330 x 260

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# EXHIBIT 134

Page 1

IN THE UNITED STATES DISTRICT COURT  
DISTRICT OF MINNESOTA

CIVIL NO. 18-1776 (JRT/HB)  
0:21-MD-02998-JRT-HB  
MDL NO. 2998

IN RE: PORK ANTITRUST LITIGATION

This Document Relates to: All Actions

HIGHLY CONFIDENTIAL

REMOTE VIDEO DEPOSITION OF MELVIN DAVIS  
December 16, 2021

REPORTED BY: Laura H. Nichols  
Certified Realtime Reporter,  
Registered Professional  
Reporter and Notary Public









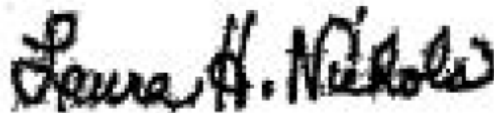
C E R T I F I C A T E

STATE OF ALABAMA

JEFFERSON COUNTY

I hereby certify that the above and foregoing deposition was taken down by me in stenotypy, and the questions and answers thereto were reduced to typewriting under my supervision, and that the foregoing represents a true and correct transcript of the deposition given by said witness upon said hearing, to the best of my ability.

I further certify that I am neither of counsel nor of kin to the parties to the action, nor am I in anywise interested in the result of said cause.



/s/ LAURA H. NICHOLS

Commissioner-Notary Public, State of AL

ACCR License No. 3, Exp. 9/30/2022

GA CCR No. 2714, Exp. 4/1/2022

TN LCR No. 679, Exp. 6/30/2022

Transcript Certified on 12/17/2021



# EXHIBIT 135

Message

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**From:** Southwell, McClain [mcclain.southwell@seboardtriumphfoods.com]  
**Sent:** 1/19/2017 5:30:32 PM  
**To:** Frank Papenberg [FPapenberg@triumphfoods.com]  
**CC:** Tom French [TFrench@triumphfoods.com]  
**Subject:** Ham Conversion

Frank – for consideration as we look at opportunities. [REDACTED]  
[REDACTED]

[REDACTED] on commodity product. Markets  
are still strapped on conversion volume as you are aware [REDACTED]  
[REDACTED]

[REDACTED]

I'll be talking to sales more in the next couple days getting their pulse on demand on a number of items but wanted to just plant a bug.

**McClain Southwell**

Sr. Director, Financial Planning & Analysis

C: 913-957-6206

Seaboard Triumph Foods LLC

9000 W 67<sup>th</sup> Street, Suite 200, Shawnee Mission KS 66202



# EXHIBIT 136

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

**FORM 10-K**

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 30, 2017

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File No. 001-37786



**US FOODS HOLDING CORP.**

(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**24-0347906**  
(I.R.S. Employer  
Identification Number)

9399 W. Higgins Road, Suite 500  
Rosemont, IL 60018  
(847) 720-8000

(Address, including Zip Code, and telephone number, including area code, of registrant's principal executive office)

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	Name of Each Exchange on Which Registered
Common Stock, par value \$0.01 per share	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer

☒

Accelerated filer

☐

Non-accelerated filer

☐

(Do not check if a smaller reporting company)

Smaller reporting company

☐

Emerging growth company

☐

If an emerging growth company, indicate by check mark if the Registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

**Item 1A. Risk Factors**

We are subject to many risks and uncertainties including, without limitation, with respect to our results of operations and cash flows. Some of these risks and uncertainties may cause our financial performance, business or operations to vary, or they may materially or adversely affect our financial performance. These are discussed below. The risks and uncertainties described in this Annual Report are not the only ones we face. Others—which are not currently known to us, or that we believe are immaterial—also may adversely affect our financial performance, business or operations.

**Risks Relating to Our Business and Industry*****Our business is a low-margin business, and our profitability is directly affected by cost deflation or inflation, commodity volatility and other factors.***

The U.S. foodservice distribution industry is characterized by relatively high inventory turnover with relatively low profit margins. Volatile commodity costs have a direct impact on our industry. We make a significant portion of our sales at prices that are based on the cost of products we sell, plus a percentage margin. As a result, our profit levels may be negatively affected during periods of product cost deflation, even though our gross profit percentage may remain relatively constant. Prolonged periods of product cost inflation also may reduce our profit margins and earnings, if product cost increases cannot be passed on to customers because they resist paying higher prices. In addition, periods of rapid inflation may have a negative effect on our business. There may be a lag between the time of the price increase and the time at which we are able to pass it along to customers, as well as the impact it may have on discretionary spending by consumers.

***Competition in our industry is intense, and we may not be able to compete successfully.***

The U.S. foodservice distribution industry is highly competitive. Our largest competitor has greater financial and other resources than we do. Furthermore, there are a large number of local and regional distributors. These companies often align themselves with other smaller distributors through purchasing cooperatives and marketing groups. The goal is to enhance their geographic reach, private label offerings, overall purchasing power, cost efficiencies, and ability to meet customer distribution requirements. These distributors also rely on local presence as a source of competitive advantage, and they may have lower costs and other competitive advantages due to geographic proximity. Additionally, adjacent competition, such as cash-and-carry operations, commercial wholesale outlets, club stores and grocery stores, continue to serve the commercial foodservice market. We also experience competition from online direct food wholesalers, such as Amazon.com. We generally do not have exclusive service agreements with our customers, and they may switch to other suppliers that offer lower prices, differentiated products, or customer service that is perceived to be superior. The cost of switching suppliers is very low, as are the barriers to entry into the U.S. foodservice distribution industry. We believe most purchasing decisions in the U.S. foodservice distribution industry are based on the quality and price of the product, plus a distributor's ability to completely and accurately fill orders and provide timely deliveries.

Increased competition has caused the U.S. foodservice distribution industry to change, as distributors seek to lower costs, further increasing pressure on the industry's profit margins. Heightened competition among our suppliers, significant pricing initiatives or discount programs established by competitors, new entrants, and trends toward vertical integration could create additional competitive pressures that reduce margins and adversely affect our business, financial condition, and results of operations.

***We rely on third-party suppliers, and our business may be affected by interruption of supplies or increases in product costs.***

We obtain substantially all of our foodservice and related products from third-party suppliers. We typically do not have long-term contracts with suppliers. Although our purchasing volume can provide leverage when dealing with suppliers, they may not provide the foodservice products and supplies we need in the quantities and at the prices requested. We do not control the actual production of most of the products we sell. This means we are also subject to delays caused by interruption in production and increases in product costs based on conditions outside our control. These conditions include work slowdowns, work interruptions, strikes or other job actions by employees of

# EXHIBIT 137

UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

Form 10-K

(Mark One)

- ☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
For the fiscal year ended June 30, 2018  
OR
- ☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**  
Commission File Number 1-6544



**Sysco Corporation**

(Exact name of registrant as specified in its charter)

**DELAWARE**  
(State or other jurisdiction of incorporation or organization)  
**1390 Enclave Parkway**  
**Houston, Texas**  
(Address of principal executive offices)

**74-1648137**  
(I.R.S. Employer Identification No.)  
**77077-2099**  
(Zip Code)

**Registrant's Telephone Number, Including Area Code:**  
(281) 584-1390

**Securities Registered Pursuant to Section 12(b) of the Act:**

Title of Each Class	Name of each exchange on which registered
Common Stock, \$1.00 Par Value	New York Stock Exchange
1.25% Notes due June 2023	New York Stock Exchange

**Securities Registered Pursuant to Section 12(g) of the Act: None**

Indicate by checkmark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by checkmark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See definition of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large Accelerated Filer ☒ Accelerated Filer ☐  
Non-accelerated Filer ☐ Smaller Reporting Company ☐  
(Do not check if a smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the voting stock of the registrant held by stockholders who were not affiliates (as defined by regulations of the Securities and Exchange Commission) of the registrant was approximately \$28,886,944,016 as of December 30, 2017 (based on the closing sales price on the New York Stock Exchange Composite Tape on December 29, 2017, as reported by The Wall Street Journal (Southwest Edition)). As of August 10, 2018, the registrant had issued and outstanding an aggregate of 519,774,992 shares of its common stock.

**DOCUMENTS INCORPORATED BY REFERENCE:**

Portions of the company's 2018 Proxy Statement to be filed with the Securities and Exchange Commission no later than 120 days after the end of the fiscal year covered by this Form 10-K are incorporated by reference into Part III.



**Item 1A. Risk Factors**

The following discussion of “risk factors” identifies the most significant factors that may adversely affect our business, operations, financial position or future financial performance. This information should be read in conjunction with Management’s Discussion and Analysis of Financial Condition and Results of Operations and the consolidated financial statements and related notes contained in this report. The following discussion of risks is not all inclusive, but is designed to highlight what we believe are the most significant factors to consider when evaluating our business. These factors could cause our future results to differ from our expectations expressed in the forward-looking statements identified within “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and from historical trends.

**Industry and General Economic Risks**

*Our industry is characterized by low margins, and periods of significant or prolonged inflation or deflation affect our product costs and may negatively impact our profitability.*

The foodservice distribution industry is characterized by relatively high inventory turnover with relatively low profit margins. Volatile food costs have a direct impact on our industry. Periods of significant product cost inflation may have a negative impact on our results of operations to the extent that we are unable to pass on all or a portion of such product cost increases to our customers in a timely manner. In addition, periods of rapidly increasing inflation may negatively impact our business due to the impact of such inflation on discretionary spending by consumers and our limited ability to increase prices in the current highly competitive environment. Conversely, our business may be adversely impacted by periods of product cost deflation, because we make a significant portion of our sales at prices that are based on the cost of products we sell plus a percentage margin. As a result, our results of operations may be negatively impacted during periods of product cost deflation, even though our gross profit percentage may remain relatively constant.

*Unfavorable macroeconomic conditions in North America and Europe, as well as unfavorable conditions in particular local markets, may adversely affect our results of operations and financial condition.*

The foodservice industry is characterized by relatively low profit margins with modest demand growth expected in the near-term, and, consequently, our results of operations are susceptible to regional, national and international economic trends and uncertainties. Economic conditions can affect us in the following ways:

- Unfavorable conditions can depress sales and/or gross margins in a given market.
- Food cost and fuel cost inflation experienced by the consumer can lead to reductions in the frequency of dining out and the amount spent by consumers for food-away-from-home purchases, which could negatively impact our business by reducing demand for our products.
- Heightened uncertainty in the financial markets negatively affects consumer confidence and discretionary spending, which can cause disruptions with our customers and suppliers.
- Liquidity issues and the inability of our customers to consistently access credit markets to obtain cash to support their operations can cause temporary interruptions in our ability to conduct day-to-day transactions involving the collection of funds from such customers.
- Liquidity issues and the inability of our suppliers to consistently access credit markets to obtain cash to support their operations can cause temporary interruptions in our ability to obtain the foodservice products and supplies needed by us in the quantities and at the prices requested.

Historically, North America and Europe have experienced, from time to time, deteriorating economic conditions and heightened uncertainty in their financial markets, which adversely impacted business and consumer confidence and spending and depressed capital investment and economic activity in the affected regions. If similar unfavorable economic conditions were to arise in the future, our results of operations and financial condition could be adversely affected.

*Economic and political instability and potential unfavorable changes in laws and regulations resulting from the U.K.’s exit from the European Union (the EU) could adversely affect our results of operations and financial condition.*

The U.K.’s anticipated exit from the EU and the resulting significant change to the U.K.’s relationship with the EU and with countries outside the EU (and its laws and regulations impacting business conducted between them) could disrupt the overall stability of the U.K. and the EU and otherwise negatively impact our European operations. If changes occur in laws and regulations impacting the flow of goods, services and workers between the U.K. and the EU, our European operations could also be negatively impacted. The completion of the U.K.’s exit from the EU could adversely affect the value of our euro- and pound-denominated assets and obligations. Exchange rates related to the British pound sterling have been more volatile since the U.K. announced it



# EXHIBIT 138

1           IN THE UNITED STATES DISTRICT COURT  
2                   DISTRICT OF MINNESOTA  
3  
4  
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6  
7   CIVIL NO.:   18-1776 (JRT/HB)  
8  
9

10   IN RE PORK ANTITRUST LITIGATION  
11

12   This Document Relates to:  
13   All Actions  
14  
15  
16  
17  
18

19                   HIGHLY CONFIDENTIAL

20   REMOTE VIDEO DEPOSITION TESTIMONY OF:  
21                   STEVE MEYER, Ph.D.  
22                   April 26, 2022  
23  
24  
25



## C E R T I F I C A T E

STATE OF ALABAMA )

COUNTY OF JEFFERSON )

I hereby certify that the above and foregoing proceeding was taken down by me by stenographic means, and that the content herein was produced in transcript form by computer aid under my supervision, and that the foregoing represents, to the best of my ability, a true and correct transcript of the proceedings occurring on said date at said time.

I further certify that I am neither of counsel nor of kin to the parties to the action; nor am I in anywise interested in the result of said case.



LANE C. BUTLER, RPR, CRR, CCR

CCR# 418 -- Expires 9/30/22

Commissioner, State of Alabama

My Commission Expires: 2/11/25

# EXHIBIT 139

---

**From:** theporkwire  
**Sent:** Tuesday, June 6, 2017 1:02 PM CDT  
**To:** ;  
**Subject:** Will April/May momentum continue?  
**Attachments:** NHF-Meyer-060517-Figure1.jpg, NHF-Meyer-060517-Figure2.jpg, NHF-Meyer-060517-Figure3.jpg, NHF-Meyer-060517-Figure4.jpg

## MARKETING

### **Will April/May momentum continue?**

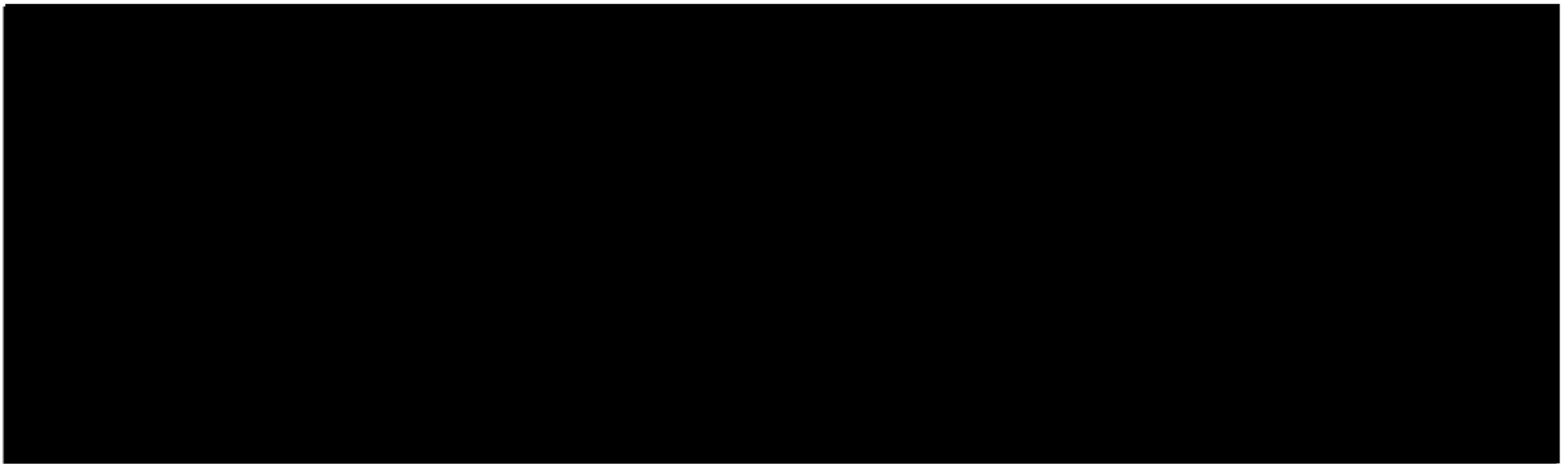
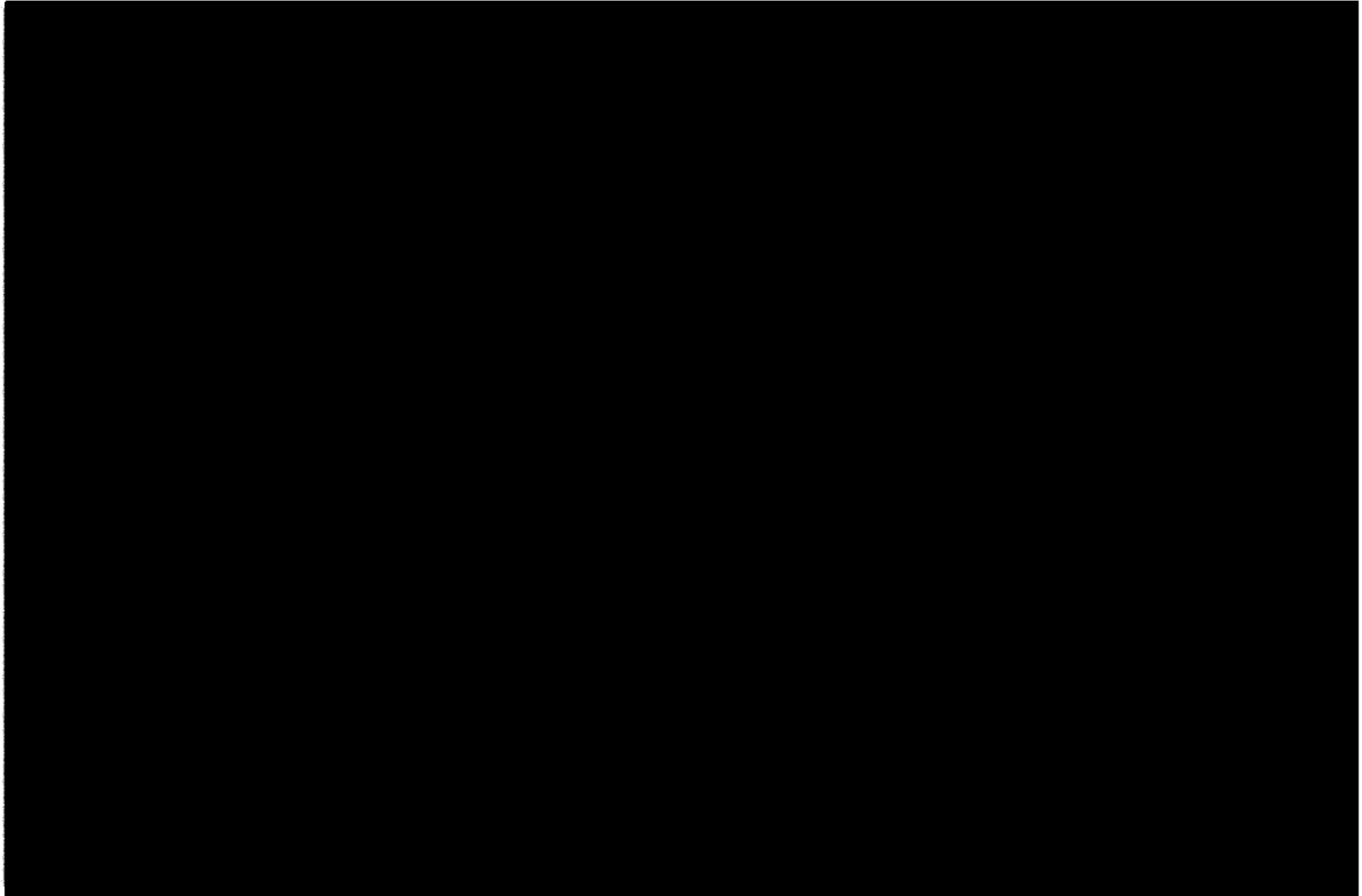
It has been a better 2017 than I had expected. Large hog numbers have been handled with relative ease and better-than-expected exports have limited domestic availability and helped push retail values higher.

Steve Meyer

It has been a great run for hog and pork markets the past three weeks. I thought in April that we had likely seen the high for lean hog futures for the year. The February peaks were beyond what I expected to be the summer highs for cash markets, and the March-April selloff was so abrupt and so large that I simply doubted the ability of the futures market to climb out of that hole when hog supplies have been almost exactly as I expected them to be.

In fact, our forecasts of federally inspected pork production are, so far in 2017, within [REDACTED] of actual production. See Figure 1.

Figure 3



# EXHIBIT 140



Transcripts

Services



# Kroger Co. CEO Discusses Q3 2010 - Earnings Call Transcript

Dec. 02, 2010 4:10 PM ET | The Kroger Co. (KR)



**SA Transcripts**

124.02K Followers

## Q3: 2010-12-02 Earnings Summary

EPS of \$0.16 **miss** by \$0.00 | Revenue of \$18.70B (5.82% Y/Y) **beat** by \$186.14M

Kroger Company (NYSE:[KR](#)) Q3 2010 Earnings Call December 2, 2010 10:00 AM ET

### Executives

David Dillon – Chairman, Chief Executive Officer

Rodney McMullen – President, Chief Operating Officer

Michael Schlotman – Senior Vice President, Chief Financial Officer

Carin Fike – Director, Investor Relations

### Analysts

Susan Anderson – Citigroup

Scott Mushkin – Jefferies & Company

Karen Short – BMO Capital Markets

Robert Ohmes – Bank of America Merrill Lynch

Edward Kelly – Credit Suisse

Yeah. Robbie, the only thing I would add—a couple things I would add on Dave's comments. If you remember a year ago, corporate brands was picking up huge share. The national brand folks were increasing prices or not reducing prices as some of the deflation that was happening out there, and we thought they were really probably making more profit than they deserved. I think customers reacted by buying a lot more corporate brands, and the rate of growth in corporate brands was significantly more than anything we would have historically expected or experienced. So I think part of it is the national brand folks got tired of losing share and they're getting more aggressive on some of the promotional activities that I mentioned before.

The other thing that I would add on the corporate brands is a big chunk of corporate brand tonnage is dairy, especially milk, and milk is significantly higher this year than a year ago. And whenever you have that kind of increase, you'll always have tonnage declines because people will go back to drinking soft drinks or whatever else versus milk when milk is much higher. So a lot of that was driven by the changes in the milk category.

**Robert Ohmes – Bank of America Merrill Lynch**

Got it. And just a quick follow up—as you look to next year and the national brands would obviously be looking to get their prices up, how does the mechanism for that work in terms of less promos versus list prices? And then also, how do you execute that with your loyal households, or how is the response of your loyal households to sort of migrating prices up with national brands versus your average customers?

**David Dillon**

Well, I hear—part of your question seems to me is to what extent do we think we can pass through costs as they are passed to us by our national brand vendors. Is that the essence of what you're asking?

**Robert Ohmes – Bank of America Merrill Lynch**

Yeah, I guess I was trying to ask that in a sneaky way, but maybe just some color on how you do that in loyal versus—

**David Dillon**

Well I'd be happy—mean, I'll give the answer to that straight up, is that when it comes to grocery-branded products, it's fairly clear what we're doing and how we're approaching this is that as we have cost increases to us, whether it's list cost or reduction of promotional spending, we are passing that through to our customers as the vendors give it to us. And therefore, in my opinion, what the consumer does with that is purely in the hands of the national vendors. So some items you will see when, if you raise prices, you will end up with less tonnage; and the vendors who raise those prices are going to have to deal with what happens with lower tonnage. I think the dynamics of whether they will spend more in promotional money or not will be almost an audible call on the field at the time by the vendors on what do they see in movement and what do they think they need to do. And some, I think, will respond by adding money to promotional spending, and some will respond by saying I guess I'll take my lumps with the lower tonnage and just get through it

But all of that spells the same picture, is that we view those choices as in the vendors' hands. We push back where we think it's appropriate to push back, but remember, we sell lots of other products; so when somebody raises a price on something and we pass it on to the customer, if that tonnage goes down, the customer most likely will switch to something else that we sell. Sometimes it's Kroger brand, sometimes it's a competing national brand; but in each case, our view is that the decision of retail price in that regard is up to them—up to the vendor, and we think we're going to be able to pass through those and have so far shown success in doing that.

### **Rodney McMullen**

I would just add one other comment to Dave's, and you've heard us talk about this before, but we think it's one of the really important parts of having such a strong corporate brand program overall. Any time a vendor puts a cost through that is not tied to the true economic costing changes, our private label always gains share; and it's a lot harder for the national brand to get it back once somebody's tried the corporate brand item. So for us, we believe that's a huge advantage for us by having such a strong corporate brand program really across all categories, because whenever there is a cost increase that's not tied to the true economics, over time it shows up in market share change.

### **David Dillon**

That's why really we're happy to be selling more national brands and selling more Kroger brands. We like both of those sales.